

110TH CONGRESS  
2D SESSION

# H. R. 6647

To direct the Federal Trade Commission to investigate how speculators are driving up the cost of gasoline in the financial markets, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 29, 2008

Mr. RUPPERSBERGER introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To direct the Federal Trade Commission to investigate how speculators are driving up the cost of gasoline in the financial markets, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Energy Fraud and  
5       Fairness Reform Act”.

# **TITLE I—FEDERAL TRADE COMMISSION**

## **SEC. 101. INVESTIGATION OF GASOLINE PRICES.**

(a) INVESTIGATION.—Not later than 30 days after the date of the enactment of this Act, the Federal Trade Commission shall commence an investigation to determine if the price of gasoline is being artificially manipulated by speculation in the oil markets and specifically at the Intercontinental Exchange in Atlanta, Georgia.

(b) REPORT TO CONGRESS.—Not later than 90 days after the date of the enactment of this Act, the Federal Trade Commission shall transmit to Congress a report that describes—

(1) the progress of the investigation; and

(2) any recommendations of the Federal Trade Commission regarding any legislation necessary to address speculation in the oil markets.

# **TITLE II—TAX PROVISIONS**

## **SEC. 201. INCREASE IN CREDIT FOR ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY.**

(a) IN GENERAL.—Subsection (a) of section 30C of the Internal Revenue Code of 1986 (relating to credit allowed for alternative fuel vehicle refueling property) is amended by striking “30 percent” and inserting “50 percent”.

1 (b) EFFECTIVE DATE.—The amendment made by  
 2 subsection (a) shall apply to property placed in service  
 3 after the date of the enactment of this Act in taxable years  
 4 ending after such date.

5 **SEC. 202. CREDIT FOR CONVERTING GAS AND DIESEL PRO-**  
 6 **PELLED MOTOR VEHICLES TO VEHICLES**  
 7 **PROPELLED BY ALTERNATIVE FUEL, CLEAN**  
 8 **FUEL, OR FUEL CELLS.**

9 (a) IN GENERAL.—Subpart B of part IV of sub-  
 10 chapter A of chapter 1 of the Internal Revenue Code of  
 11 1986 is amended by adding at the end the following new  
 12 section:

13 **“SEC. 30D. CONVERSION OF GAS AND DIESEL PROPELLED**  
 14 **MOTOR VEHICLES PROPELLED BY ALTER-**  
 15 **NATIVE FUEL, CLEAN FUEL, OR FUEL CELLS.**

16 “(a) ALLOWANCE OF CREDIT.—There shall be al-  
 17 lowed as a credit against the tax imposed by this chapter  
 18 for the taxable year an amount equal to the aggregate  
 19 costs of a qualified conversion of a motor vehicle—

20 “(1) which, after such conversion, is placed in  
 21 service by the taxpayer during the taxable year,

22 “(2) of which the original use after such con-  
 23 version commences with the taxpayer, and

1           “(3) which, after such conversion, is for use or  
2           lease by the taxpayer and not for resale or lease to  
3           others.

4           “(b) DEFINITIONS.—For purposes of this section—

5           “(1) QUALIFIED CONVERSION.—The term  
6           ‘qualified conversion’ means the conversion of a  
7           motor vehicle from a vehicle that is propelled by gas-  
8           oline or diesel fuel to a vehicle that is propelled by  
9           alternative fuel, clean fuel, or fuel cells.

10           “(2) ALTERNATIVE FUEL.—The term ‘alter-  
11           native fuel’ has the meaning given such term by sec-  
12           tion 6426(d)(2), determined without regard to the  
13           last sentence thereof.

14           “(3) CLEAN FUEL.—The term ‘clean fuel’ has  
15           the meaning given such term by section 179A(e)(1).

16           “(4) FUEL CELL.—The term ‘fuel cell’ means  
17           qualified fuel cell property (as defined in section  
18           48(c)(1)).

19           “(5) MOTOR VEHICLE.—The term ‘motor vehi-  
20           cle’ has the meaning given such term by section  
21           30(c)(2).

22           “(c) APPLICATION WITH OTHER CREDITS.—

23           “(1) BUSINESS CREDIT TREATED AS PART OF  
24           GENERAL BUSINESS CREDIT.—So much of the credit  
25           which would be allowed under subsection (a) for any

1 taxable year (determined without regard to this sub-  
2 section) that is attributable to property of a char-  
3 acter subject to an allowance for depreciation shall  
4 be treated as a credit listed in section 38(b) for such  
5 taxable year (and not allowed under subsection (a)).

6 “(2) PERSONAL CREDIT.—

7 “(A) IN GENERAL.—For purposes of this  
8 title, the credit allowed under subsection (a) for  
9 any taxable year (determined after application  
10 of paragraph (1)) shall be treated as a credit  
11 allowable under subpart A for such taxable  
12 year.

13 “(B) LIMITATION BASED ON AMOUNT OF  
14 TAX.—In the case of a taxable year to which  
15 section 26(a)(2) does not apply, the credit al-  
16 lowed under subsection (a) for any taxable year  
17 (determined after application of paragraph (1))  
18 shall not exceed the excess of—

19 “(i) the sum of the regular tax liabil-  
20 ity (as defined in section 26(b)) plus the  
21 tax imposed by section 55, over

22 “(ii) the sum of the credits allowable  
23 under subpart A (other than this section  
24 and sections 23 and 25D) and section 27  
25 for the taxable year.

1 “(d) SPECIAL RULES.—

2 “(1) BASIS REDUCTION.—The basis of any  
3 property for which a credit is allowable under sub-  
4 section (a) shall be reduced by the amount of such  
5 credit (determined without regard to subsection (d)).

6 “(2) RECAPTURE.—The Secretary shall, by reg-  
7 ulations, provide for recapturing the benefit of any  
8 credit allowable under subsection (a) with respect to  
9 any property which ceases to be property eligible for  
10 such credit.

11 “(3) PROPERTY USED OUTSIDE UNITED  
12 STATES, ETC., NOT QUALIFIED.—No credit shall be  
13 allowed under subsection (a) with respect to any  
14 property referred to in section 50(b)(1) or with re-  
15 spect to the portion of the cost of any property  
16 taken into account under section 179.

17 “(4) ELECTION NOT TO TAKE CREDIT.—No  
18 credit shall be allowed under subsection (a) for any  
19 conversion of a vehicle if the taxpayer elects to not  
20 have this section apply to such conversion.

21 “(5) DENIAL OF DOUBLE BENEFIT.—

22 “(A) If a credit is allowed under section  
23 30B with respect to a vehicle, not credit shall  
24 be allowed under this section with respect to  
25 such vehicle.

1                   “(B) No amount taken into account under  
 2                   this section shall be allowed as a deduction  
 3                   under any other provision of this subtitle.

4                   “(6) PROPERTY USED BY TAX-EXEMPT ENTITY;  
 5                   INTERACTION WITH AIR QUALITY AND MOTOR VEHI-  
 6                   CLE SAFETY STANDARDS.—Rules similar to the rules  
 7                   of paragraphs (6) and (10) of section 30B(h) shall  
 8                   apply for purposes of this section.”.

9                   (b) CREDIT MADE PART OF GENERAL BUSINESS  
 10                  CREDIT.—Section 38(b) of such Code is amended by strik-  
 11                  ing “plus” at the end of paragraph (32), by striking the  
 12                  period at the end of paragraph (33) and inserting “, plus”,  
 13                  and by adding at the end the following new paragraph:

14                   “(34) the portion of the motor vehicle conver-  
 15                  sion credit to which section 30D(d)(1) applies.”.

16                  (c) CONFORMING AMENDMENTS.—

17                   (1) Section 1016(a) of such Code is amended  
 18                  by striking “and” at the end of paragraph (35), by  
 19                  striking the period at the end of paragraph (36) and  
 20                  inserting “, and”, and by adding at the end the fol-  
 21                  lowing new paragraph:

22                   “(37) to the extent provided in section  
 23                  30D(e)(1).”.

24                   (2) Section 6501(m) of such Code is amended  
 25                  by inserting “30D(e)(4),” after “30C(e)(5),”.

1           (3) The table of sections for subpart B of part  
 2           IV of subchapter A of chapter 1 of such Code is  
 3           amended by adding at the end the following new  
 4           item:

“Sec. 30D. Conversion of gas and diesel propelled motor vehicles propelled by  
 alternative fuel, clean fuel, or fuel cells.”.

5           (d) EFFECTIVE DATE.—The amendments made by  
 6 this section shall apply to taxable years beginning after  
 7 December 31, 2008.

## 8       **TITLE III—REFINERY CAPACITY** 9                               **STUDY**

### 10   **SEC. 301. REFINERY CAPACITY STUDY.**

11           Not later than 90 days after the date of enactment  
 12 of this Act, the Comptroller General shall transmit to Con-  
 13 gress a report containing the results of a study of refinery  
 14 capacity in the United States. Such study shall address—

15           (1) the impacts United States refinery capacity  
 16           has on gasoline prices;

17           (2) regulatory and other barriers to the con-  
 18           struction and operation of sufficient United States  
 19           refinery capacity, including possible collusion among  
 20           oil companies; and

21           (3) how oil companies use funding received  
 22           from the Federal Government, and whether those



- 1 Federal dollars expand our domestic oil supply or
- 2 just go to dividends and stock buybacks.

